

Virginia Retirement System 2013 Fiscal Impact Statement

1. Bill Number: SB1251S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Prior to Substitute: Barker

3. Committee: Finance

4. Title: Virginia Retirement System; retirees hired as school security officers.

5. Summary: Virginia Retirement System; retirees hired as school security officers. Provides that retired law-enforcement officers may be hired as local school board security personnel without interruption of their retirement benefits under certain conditions.

6. Budget Amendment Necessary: No. These costs would be borne by the localities that employ hazardous duty retirees for these positions.

7. Fiscal Impact Estimates: The substitute bill requires the hiring school division to pay the employer share of the retirement funding contribution for re-hired hazardous duty retirees.

8. Fiscal Implications: See comments in Fiscal Impact Estimates above.

9. Specific Agency or Political Subdivisions Affected: VRS, the Department of Education, and localities that hire hazardous duty retirees for these positions.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill allows members who have retired from SPORS, VaLORS or from a local hazardous duty position covered by enhanced benefits under § 51.1-138 and who have reached the age of 50 to return to work for a local school board as a security officer or security personnel. Eligible retirees who return to work under the provisions of this bill on or after July 1, 2013, but before July 1, 2018, may continue to receive their retirement allowance under certain conditions. The additional service will not increase, decrease or otherwise affect the individual's retirement benefit.

Under the provisions of this bill, in order to be eligible for re-employment as a local school board security officer or security personnel, the retiree's effective date of retirement must be at least one full calendar year prior to the commencement of such employment, or such longer period of time as the VRS Board of Trustees may determine, and the hiring school division must pay the employer share of the retirement funding contribution that would otherwise be due if the retiree were a covered employee.

The substitute adds a requirement that the Superintendent of Public Instruction must, at the time the retired member is hired as a school security officer or security personnel, make a finding in writing that (i) there is a demonstrated need to fill the position and (ii) there are no qualified applicants for such position other than a person receiving a service retirement allowance under SPORS, VaLORS, or local hazardous duty with enhanced benefits, and the VRS Board of Trustees accepts such finding.

This bill is similar to HB1568 and HB2173. Neither HB1568 nor HB2173 requires payment of the employer contribution, and neither bill limits the time during which eligible retirees may be re-hired. Neither HB1568 nor HB2173 requires a finding that a shortage exists.

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